

REQUEST FOR PROPOSAL
FOR
BENEFIT ADVISORS

SANDY CITY CORPORATION
SANDY, UTAH

PREPARED BY
SANDY CITY DEPARTMENT OF HUMAN RESOURCES

JULY 2009

SANDY CITY CORPORATION
10000 CENTENNIAL PARKWAY
SANDY, UTAH 84070

DEPARTMENT OF FINANCE & INFORMATION SERVICES
PURCHASING OFFICE
JULY 2009

REQUEST FOR PROPOSAL:

All Sealed proposals will be opened privately by the Purchasing and Human Resources Departments. Proposals will be reviewed to determine that the functional requirements of the City are met. An award will be made after the appropriate approvals are received.

PROJECT: BENEFIT ADVISORS

REQUIREMENTS:

- Proposals must be returned no later than **11:00 am., July 31, 2009** to the Purchasing Office, 10000 Centennial Parkway (Suite 330) Sandy, Utah 84070. Proposals should reflect the best and most competitive offers. However, Sandy City reserves the right to negotiate best offers prior to final award.
- Proposals received after the date and time deadline will not be considered. They will be returned to the company unopened.
- Proposals must be submitted in a sealed envelope or container clearly marked with the name of the project and the company submitting the offer.
- Submit four (4) copies of your proposal.
- Specifications follow.
- For further technical information please contact Brian Kelley, Director of Human Resources & Management Services, 801-568-7117. For bid information contact Mindi Bos, 801-568-7148.

The right is reserved to reject all proposals, to waive any informality or technicality or to accept proposals deemed in the best interest of Sandy City Corporation.

ALL PROPOSALS THAT MEET, EXCEED OR ARE COMPARABLE TO MINIMUM SPECIFICATIONS WILL BE ACCEPTED.

For Sandy City
Mindi J. Bos
Purchasing Agent

I. INTENT OF SPECIFICATIONS:

It is the intent of these specifications to be descriptive and non-restrictive. Brand or trade names may be used to identify quality and performance levels and approved equals will be considered. These specifications set forth the minimum acceptable requirements for the specified services. The City intends to award this contract for a one year period, with the option to renew for three additional one year periods upon agreement of both parties.

II. PROJECT DESCRIPTION:

Sandy City is seeking proposals from interested brokers, consultants or agents to advise the City on medical, dental, life insurance, retirement plans, wellness issues and other employee benefits and to represent the City in finding, evaluating, and negotiating with insurance and benefit providers.

III. SUBMISSION OF PROPOSALS:

Proposals shall be submitted in a sealed envelope with the project title shown on the face of the envelope. In order to be considered for award, the offerer must complete all requirements and submit the same with a signed proposal sheet, on or before the specified date and time for the proposal submittal.

IV. PROPOSAL SHEET:

All prices and notations shall be printed in ink or typewritten. No erasures will be permitted. Errors may be crossed out and corrections printed in ink or typewritten adjacent to the original figure and shall be initialed in ink by the person signing the proposal. Photo copies can be made of your original for the additional required copies.

V. SIGNATURE ON PROPOSAL SHEET:

The proposal sheet must be signed by an authorized representative of the company named thereon. The signature on this proposal shall be interpreted to signify the vendor's intent to comply with all the terms, conditions and specifications set forth in the solicitation, unless specific exceptions are noted on the face of the proposal.

VI. PROPOSAL EVALUATION CRITERIA:

The city shall be the sole judge as to which proposal constitutes the "lowest and/or most reasonable offer". Price is only one consideration. The following factors will be utilized to make recommendations on the bid award:

- A. Cost
- B. Qualifications
- C. Experience
- D. References

VII. INSURANCE REQUIREMENTS:

Insurance will be required in accordance with "Exhibit A" attached to this request for proposal. These insurance requirements include a Proof of Insurance certificate to be submitted with the proposal. Failure to meet the insurance requirements may result in cancellation of the proposal acceptance.

VIII. ADDITIONAL INFORMATION:

For additional information contact Brian Kelley, Human Resources Director at 801-568-7117, or Mindi Bos, Purchasing Agent at 801-568-7148.

SPECIFICATIONS FOR BENEFIT ADVISORS

Sandy City is seeking proposals from interested brokers, consultants or agents to advise the City on medical insurance, dental insurance, life insurance, disability insurance, wellness plans and other employee benefits and to represent the City in finding, evaluating and negotiating with insurance and benefit providers

With the exception of voluntary plans, compensation will be net of commissions and paid on a flat, fee-for-service basis directly from the City, rather than by brokerage fees paid through the providers. The City's intention is to negotiate a compensation package that is equivalent or lower to the fee the City is currently paying. The City does not want the brokerage fees to be the determining factor in selecting providers that negotiate its contracts and will endeavor to establish a compensation package that reflects this philosophy.

The City's representative will make full disclosure of all brokerage fees or potential fees prior to any decision on an insurance provider or other service provider.

When evaluating potential insurance providers, the representative will factor any fees that the City will need to pay the representative directly into the financial analysis.

Rather than evaluating the applicants on the merits of any particular insurance plan that they may represent or on fees, the City will evaluate applicants on the proposed quantity and quality of services provided which could include:

- Disclosing account team and their qualifications.
- Evaluating employee preferences for health and medical insurance given cost implications to the City's overall compensation plan.
- Educating City employees about insurance plans and how the City's program meets employee preferences and compares to other comparable employers' plans.
- Advising the City on available options and whether existing providers are best meeting the needs or whether new providers should be sought in light of current and future costs and the effect on employees.
- Preparing any necessary documents to procure health or medical insurance when deemed necessary by the City. An ability to represent all suitable options without limitation is important.
- Securing renewal estimates in a timely manner for use in budgeting, open enrollment and renewal as long as the contract is in effect. Renewal numbers are required by March 1 of each year, open enrollment begins May 1 of each year and renewal of benefits is July 1 of each year.
- Evaluating the renewal proposals and reporting findings to the City in writing. The evaluation should consider the proposed rates, the City's usage and underwriting methods used. The representative should have an ability to negotiate the renewal proposals when appropriate.
- Acting as a liaison between the City, its individual employees and the insurance providers in developing positive relations and resolving problems with an emphasis on seeking long term solutions.

- Working with the insurance providers and the City to see that contracts are timely executed and advising the City as to whether contracts meet the terms negotiated and are compliant with all federal and state laws.
- Advising the City on how desired employee benefit plans fit into the City's overall compensation and benefit objectives and the implications for other employee programs.

Preference will be given to proposals that indicate a willingness to accept full responsibility on certain functions rather than proposals that limit service to a specific number of hours. However, the City recognizes that there is a practical limit to an advisor's or consultant's time and will consider some limits on certain services.

The City values a long term perspective on employee benefits and will look to establish an agreement that reflects this philosophy.

The City reserves the right to represent itself should it determine self representation to be in its best interest.

Please limit proposals to 25 pages summarizing:

- the proposed services consistent with the list above
- other proposed services, if applicable
- examples of prior experience providing the services
- references from other clients
- any other relevant information

Samples of relevant work products will be accepted and are strongly encouraged, in addition to the summary.

“EXHIBIT A”
INSURANCE AND BOND REQUIREMENTS FOR
PARTIES CONTRACTING WITH SANDY CITY
FOR: 2009 HEALTH INSURANCE BROKERAGE SERVICES

Contracting party shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the contracting party, his agents, representatives, employees or subcontractors. The cost of such insurance and bonds shall be included in the Contracting party's proposal.

A. MINIMUM LIMITS OF INSURANCE

Contracting party shall maintain limits no less than:

1. **PROFESSIONAL LIABILITY:** \$2,000,000 combined single limit per occurrence for premises/operations, products, public display, bodily injury, personal injury and property damages..
2. **GENERAL LIABILITY:** \$1,000,000 combined single limit per occurrence, personal injury and property damage. \$2,000,000 aggregate. Broad Form Commercial General Liability is required. (ISO 1993 or better).
3. **AUTOMOBILE LIABILITY:** \$2,000,000 per occurrence. “Any Auto” coverage is required.
4. **WORKERS’ COMPENSATION and EMPLOYERS LIABILITY:** Workers’ compensation statutory limits as required by the Workers Compensation Act of the State of Utah and Employers Liability limits at a minimum of \$100,000 per occurrence.

B. DEDUCTIBLES AND SELF-INSURED RETENTIONS

Any deductibles or self-insured retention, exceeding 5% limit of policy, must be declared to and approved by Sandy City. At the option of Sandy City, either; the insurer may be required to reduce or eliminate such deductibles or self-insured retention as respects Sandy City, its officers, officials and employees; or the contracting party may be required to procure a bond guaranteeing payment of losses and related investigations, claim distribution and defense expenses.

C. NOTICE OF INCIDENT OR ACCIDENT

Contracting party shall agree to disclose to Sandy City, all incidents or occurrences of accident, injury, and/or property damage covered by the insurance policy or policies.

D. OTHER INSURANCE PROVISIONS

The policies are to contain, or be endorsed to contain, the following provisions:

I. General Liability and Automobile Liability Coverages

A. Sandy City, its officers, officials, employees and volunteers are to be covered as an additional insured as respects: liability arising out of activities performed by or on behalf of the contracting party; products and completed operations of the contracting party; premises owned, leased, hired or borrowed by the contracting party. The coverage shall contain no special limitations on the scope of protection afforded to Sandy City, its officers, officials, employees or volunteers.

B. The contracting party's insurance coverage shall be a primary insurance as respects to Sandy City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by Sandy City, its officers, officials, employees or volunteers shall be in excess of the contracting party's insurance and shall not contribute with it.

C Any failure to comply with reporting provisions of the policies shall not affect coverage provided to Sandy City, its officers, officials, employees or volunteers.

D The contracting party's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respects to the limits of the insurer's liability.

II. Workers' Compensation and Employers Liability Coverage

The insurer shall agree to waive all rights of subrogation against Sandy City, its officers, officials, employees and volunteers for losses arising from work performed by the contracting party for Sandy City.

III. All Coverages

Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to Sandy City.

E. ACCEPTABILITY OF INSURERS

Insurance and bonds are to be placed with insurers admitted in the State of Utah with a Bests' rating of no less than A-, IX, and in the limits as listed in this document, unless approved by the Director of Risk Management .

F. VERIFICATION OF COVERAGE

Contracting party shall furnish Sandy City with certificates of insurance and with original endorsements effecting coverage required by this clause. The certificates and endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be furnished to and accepted by Sandy City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, with all endorsements, at any time.

G. SUBCONTRACTORS

Contracting party shall include all subcontractors as an insured under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.